VT Health Care Innovation Project - Payment Model Design and Implementation Work Group Meeting Agenda Monday, September 19, 2016 1:00 PM – 3:00 PM. DVIIA Lorge Conference Room, 313 Huggierne Lone, Williston

DVHA Large Conference Room, 312 Hurricane Lane, Williston Call in option: 1-877-273-4202 Conference Room: 2252454

Item#	Time Frame	Topic	Presenter	Decision Needed?	Relevant Attachments
1	1:00- 1:05	Welcome and Introductions; Approve meeting minutes	Cathy Fulton, Andrew Garland	Y – Approve minutes	Attachment 1: July Meeting Minutes
2	1:05- 1:20	Program Updates • Y2 SSP Results Timeline • Sustainability Update • ACH Learning Lab	Alicia Cooper, Pat Jones Georgia Maheras, Heidi Klein	N	
3	1:10- 1:40	Simplifying Clinical Quality Measure Collection	Leah Fullem, Heather Skeels	N	
4	1:40- 2:50	Medicaid Pathway: Payment Model Update	Georgia Maheras/Selina Hickman, Kara Suter	N	Attachment 4: Medicaid Pathway Presentation
5	2:50- 2:55	Public Comment	Cathy Fulton, Andrew Garland	N	
6	2:55- 3:00	Next Steps and Action Items	Cathy Fulton, Andrew Garland	N	

Attachment 4: Medicaid Pathway Presentation

MEDICAID PATHWAY: PAYMENT MODEL DISCUSSION

SEPTEMBER 19, 2016

FOR DISCUSSION PURPOSES

Big Goal: Integrated health system able to achieve the triple aim

Implement Next Generationtype ACO:

- Requires all-inclusive population based payment model.
- Way to pursue goal of integrated system for certain services and providers.
- Implementation led by DVHA with support from others.

Medicaid Pathway:

- Task of pursuing goal of integrated system for services outside of financial caps of allpayer model.
- AHS led project that interacts with ongoing AHS reform efforts and SIM.



Medicaid Pathway

What is it?

- It refers to several critical ideas:
 - There is payment and delivery system reform that must happen alongside the all-payer model (APM) regulated revenue/cap conversation.
 - There is a process for Medicaid providers to engage in with the State alongside the APM regulated revenue/cap conversation.
 - This process is led by AHS-Central Office in partnership with the Agency of Administration and includes Medicaid service providers who provide services that are not included in the initial APM implementation, such as LTSS, mental health, substance abuse services and others.
 - The Medicaid Pathway advances payment and delivery system reform for services not subject to the additional caps and regulation required by the APM. The goal is alignment of payment and delivery principles that support a more integrated system of care.



Medicaid Pathway: Payment and Delivery System Reform Continuous Cycle

SOV Task: What do we want out of payment and delivery system reform given the facts as we know them today?

Evaluate payment models

Implement new payment models

Provider(s) Task: What do we want out of payment and delivery system reform given the facts as we know them today?

Assessing provider readiness for new payment models:

Provider readiness review and evaluation

Develop new payment models for providers:

Version 1: Paid by

Medicaid

Version 2: Paid by ACO

Version 3: Paid by both



Why Pay Differently Than Fee-for-Service?

- Health care cost growth is not sustainable.
- Health care needs have evolved since the fee-for-service system was established more than fifty years ago.
 - More people are living today with multiple chronic conditions.
 - CDC reports that treating chronic conditions accounts for 86% of our health care costs.
 - Fee-for-service reimbursement is a barrier for providers trying to coordinate patient care and to promote health.
 - Care coordination and health promotion activities are not rewarded by fee-for-service compensation structure.

A New Payment System Should Promote Value for Money

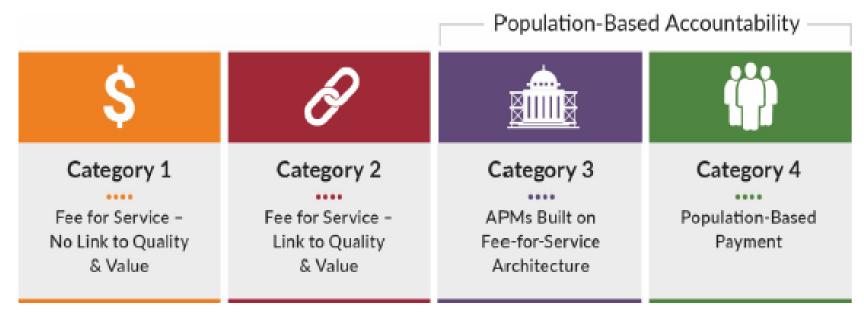
"The ultimate objective of any payment reform is to motivate behavioral change that leads to lower costs, better care coordination, and better quality.

Providers will be better able to achieve these objectives if the payment methodology:

- Is clinically meaningful
- Communicates actionable information in a form and at a level of detail sufficient to achieve sustainable behavior changes."



Federal Framework for APM Development

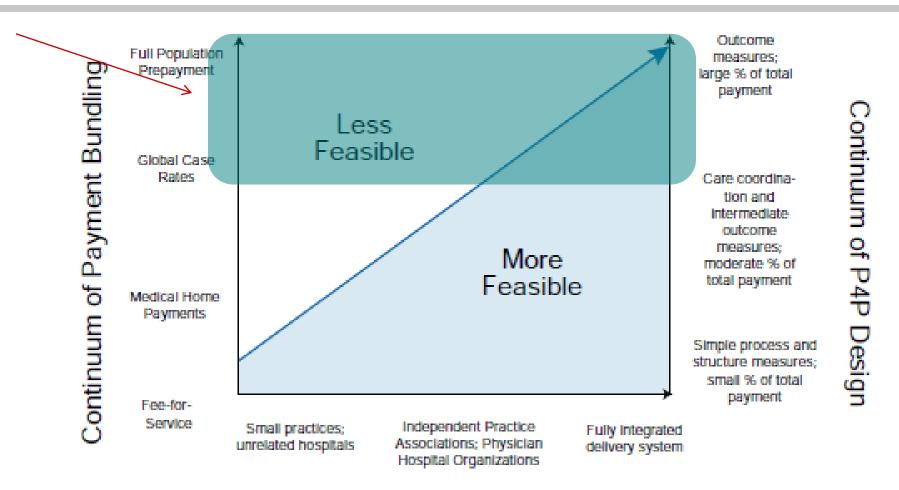


Source: Alternative Payment Model (APM) Framework and Progress Tracking Work Group

The Health Care Payment and Learning & Action Network (HCP LAN). Accelerating and Aligning Population-based Payment Models: Financial Benchmarking. 2016. https://hcp-lan.org/groups/pbp/fb-final-whitepaper/.



Moving Away from Fee-for-Service



Continuum of Organization

Source: The Commonwealth Fund, 2008



Focus of Reform

Mental Health, Substance Use, and Developmental Disabilities Services provided by Designated Agencies, Specialized Service Agencies, and Preferred Providers.

July 1, 2017: Mandatory DA/SSA Participation for Mental Health Services

Reforms will target all DMH and DVHA funded mental health services provided through the DA/SSA provider system

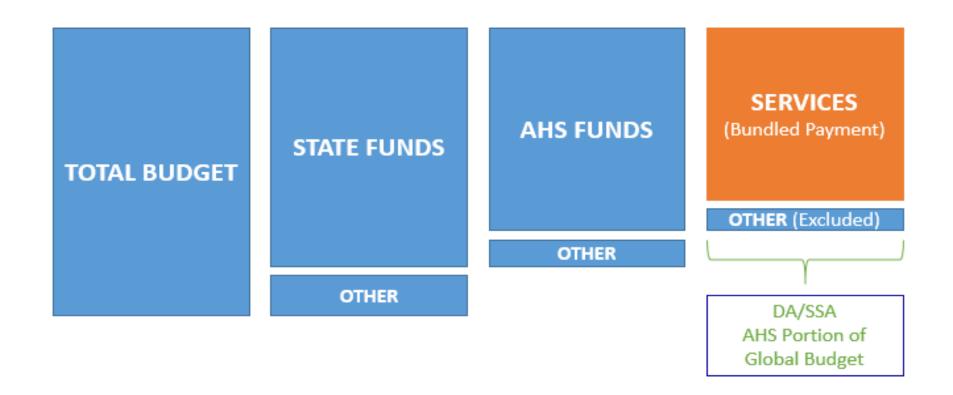
Other services and providers will be voluntary and at the discretion of AHS **July 1, 2018:** Mandatory for all DA/SSA Mental Health, Substance Abuse Treatment and Developmental Disability Services

Reforms will target all DA/SSA delivered mental health, outpatient substance abuse treatment and developmental services

Other services and providers will be voluntary and at discretion of AHS July 1, 2019: TBD

Evaluation of years one and two will determine next steps in implementation

Scope of funding covered:



What is the potential payment model structure?

- Overall capitated rate (i.e. Global Budget) to the organization:
 - Other (grants)
 - Bundle (5 cost categories where there are flexible funding options)
 - Some Case Rate/Bundled Rate elements built in (more detail later)
 - Built off of services; not by person
- Incentive payment for meeting certain quality (gate and ladder) and cost targets
 - Upside risk only to the providers for a certain time
 - Quality: reporting, monitoring, and payment measures

What is the potential payment model structure?

MONTHLY PAYMENT

Developmental Disabilities Services Adult Mental Health Services

 Include Community, Rehabilitation and Treatment Child Mental Health Services

Emergency/Crisis Services Substance Abuse Services



Draft Scope of Services/Programs

Categories Developmental **Monthly payment** Disabilities Services Adult Mental Health Services Child Mental Health Services Emergency/Crisis Services Substance Abuse Services

Preliminary Draft Scope

All DDS Funded Services: HCBS Packages, Flexible Family Funds, Bridge Case Management, Flexible Family Respite, Clinical Services

DMH and DVHA Funded Adult Outpatient, Community
Rehabilitation and Treatment Services

All DMH Funded Services: Enhanced Family Treatment,
Individualized Service Budgets, Outpatient Services, Youth in
Transition, JOBS, Autism, Non-Categorical Services

Adult and Children's Emergency Services (Basic and Enhanced)

DMH and ADAP Funded Outpatient Treatment Services